



ENERGY ASSURANCE DAILY

Thursday, June 08, 2006

Electricity

Hydropower Availability Leads Energy NorthWest to Reduce Output at its 1,150 MW Columbia Nuke in Washington

High levels of hydropower in the Pacific NorthWest led Energy Northwest to reduce output to 85 percent of capacity at its 1,150 MW nuclear plant in Washington. The reduction will last through the coming Monday. Operators are taking advantage of the availability of abundant hydropower on the Columbia River, as the season progresses, the ability to substitute hydropower for other forms of generation decreases.
Reuters, 14:10 June 8, 2006

Exelon's 867 MW Dresden 2 Nuke Unit in Illinois Returns to Full Power

The 867 MW unit 2 at the Dresden nuclear plant of Exelon Corp in Illinois has returned to full capacity according to a report of the Nuclear Regulatory Commission. The unit had been operating at 75 percent of capacity so that a valve component could be replaced.
Reuters, 10:27 June 8, 2006

Restart of TXU's 565 MW Monticello 2 Coal-fired Unit in Texas Halted by Turbine Problems

Turbine problems forced TXU to halt the start-up process of the 565 MW unit 2 at its Monticello plant in Texas. The unit had been shut for planned maintenance, there is no indication as to when the unit will return to service.
Reuters, 11:00 June 8, 2006

City Utilities Wins Approval for New 300 MW Coal-Fired Power Plant in Missouri

On June 6, Springfield (Missouri) voters approved City Utilities' proposal to construct a new coal-fired power plant. Two years ago, the proposal was rejected by voters. The project includes building a 300 megawatt plant names Southwest II, which will add to an existing 820-megawatt capacity.
<http://www.belleville.com/mld/belleville/news/state/14756821.htm>

Approval Delayed for Proposed 350 MW Caithness Power Plant in New York

On June 6, the Brookhaven, New York Town Board unexpectedly rejected an environmental review of the 350 MW Caithness power station. Prior to the meeting, the board was expected to approve a variance for a 170-foot smokestack and a special use permit for the plant, which has already won Federal approval. A council member said that the "findings failed to address potential impacts of a proposed 22-mile pipeline that would supply natural gas to the oil and gas-burning facility."
<http://www.newsday.com/news/local/longisland/ny-lipowe07b4772016jun07.0.2196136.story?coll=ny-linews-headlines>

Update: Allegheny Power Line Outage in West Virginia on Track, Not Extended

The Energy Assurance Daily, summarizing a Reuters story on June 7, incorrectly reported that an outage on the 500 kV Harrison-Belmont transmission line was being extended from June 17 to June 23. The outage is actually on track to end June 17.

http://today.reuters.com/stocks/QuoteCompanyNewsArticle.aspx?view=CN&storyID=2006-06-07T191037Z_01_N07171301_RTRIDST_0_UTILITIES-ALLEGHENY-TRANSMISSION-CORRECTED.XML&rpc=66

Update: TXU Corp's 545 MW Sandow 4 Coal-fired Unit in Texas Exits Outage June 7

Reuters, 12:19 June 8, 2006

OPG's 490 MW Nanticoke 1 Coal-fired Unit in Ontario Back in Service

Reuters, 07:47 June 8, 2006.

California-Oregon Intertie 2,900 MW Transmission Line Out of Service June 7, Restarting June 8

Reuters, 07:54 June 8, 2006

Harrison-Wylie Ridge WV Transmission Line Out of Service June 8, Restarting June 9

Reuters, 07:54 June 8, 2006

Petroleum

Oil Falls \$1.50 After Al Qaeda Leader Zarqawi Killed in Iraq

Crude oil prices fell below \$70 earlier today as news spread about the death of Abu Musab al-Zarqawi, the terrorist leader of al Qaeda in Iraq. Zarqawi and his militants are responsible for numerous attacks against Iraqi oil infrastructure, including a foiled 2004 attack on Iraq's vital Basra oil export terminal. Iraq's northern oil export pipeline into Turkey has been shut due to repeated bombings, hampering attempts to boost Iraq's crude exports, which stood at 1.5 million b/d in May according to shipping sources. However, many analysts doubt that Zarqawi's death will improve Iraq's oil export problems because al Qaeda is not the main actor responsible for sabotaging oil infrastructure in the country.

Reuters, 12:02 June 8, 2006

Reuters, 08:47 June 8, 2006

Hydrogen Unit Shut at 340,000 b/d Deer Park Refinery in Texas June 8

According to a report filed with regulators, a catalytic feed hydrotreater at the refinery was shut due to an electrical short in a pump. Deer Park Refining, a joint venture between Shell and Pemex, has not commented on refinery operations.

Reuters, 13:20 June 8, 2006

Crude Unit Shut at 233,000 b/d ConocoPhillips Sweeny Refinery in Texas June 8

According to traders, ConocoPhillips shut unit 1 and cut rates at the refinery. By midmorning, traders said operations were returning to normal. ConocoPhillips has not commented on the refinery's operations.

Reuters, 09:52 June 8, 2006

Three Units Shut at PDVSA's 130,000 El Palito Refinery in Venezuela June 6

The company said that the cat cracker, alkylation and oxygenate units were shut following a regenerator failure. The failure occurred at the cat cracker, which produces 54,000 b/d, and required PDVSA to take the other units down. The company expects the refinery, which produces a small amount of gasoline for export, to be fully operational by next week. PDVSA has suffered a string of accidents at its refineries in recent months. Venezuela supplied 11 percent of total U.S. petroleum product imports in 2005 or about 260,000 b/d.

Reuters, 20:02 June 7, 2006

Bloomberg, 09:59 June 8, 2006

ExxonMobil Ships Crude Back to Venezuela for Logistical Reasons

The company said it had fixed a Suezmax tanker to return 500,000 of heavy synthetic crude oil from a storage facility on the Caribbean of St. Lucia to the Jose oil terminal in Venezuela. Exxon said that the unusual north-south crude movement was due to logistical reasons involving the scheduled maintenance at the Cerro Negro plant in Venezuela, quelling speculation among traders that the transfer was due to the deteriorating commercial relationship between Exxon and Venezuela, or a tightening of the crude oil storage situation in the Caribbean.

Reuters, 13:11 June 8, 2006

Devon Energy Works to Resume GOM Production

This fall's work includes lifting platforms by installing hydraulic jack systems to cut existing platform legs, raise the platform, and fill the space with new pipe. Repairs are not expected to be completed until this hurricane season is over.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6768661

Natural Gas

TransCanada Says Excess Capacity on Canadian Gas Pipelines to Grow Despite Conversion to Oil

In an application to expedite a partial conversion of its system from natural gas to oil, TransCanada Pipelines stated that excess capacity will grow for years to come on Canadian natural gas pipelines even if some of the capacity is switched to transportation of oil.

<http://intelligencepress.com/>

Update: Militants Release South Korean Gas Plant Hostages in Nigeria

Militants released five South Korean gas workers that were taken hostage yesterday after a bloody attack on a natural gas plant in the Niger Delta. The militant group, the Movement for the Emancipation of the Niger Delta (MEND) had hoped to force the Nigerian government to free a jailed militia leader but that leader pleaded for MEND to release the hostages. Rebel attacks in Nigeria have shut about a fifth of Nigeria's oil production. Nigeria supplied 8 percent of total U.S. oil imports in 2005.

Reuters, 12:29 June 8, 2006

Other News

Contaminated Water Overflowed at Entergy's Nuke in Arkansas May 30

Between 600 and 1,000 gallons of water contaminated by radiation overflowed from a dispensed fuel pool as workers prepared to refuel a unit at the Arkansas Nuclear One power plant in Arkansas on May 30. Entergy Nuclear said the public was not in danger.

<http://www.sunherald.com/mld/sunherald/news/state/14763917.htm>

Energy Prices

U.S. Oil and Gas Prices			
June 8, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	70.30	71.35	53.40
NATURAL GAS Henry Hub \$/Million Btu	6.17	5.97	7.12

Source: Reuters

Energy Notes

El Paso Electric's Substation in Texas Shut Down Due to Failure of Transmission Line

http://www.ktsm.com/story_news.sstg?c=2182

Large Power Line Near Phoenix, AZ, Threatened by Lightning-caused Wildfire June 6
http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6767294

TVA and Southern Extend Agreement to Pursue Nuke Construction in Alabama
<http://www.wbir.com/news/local/story.aspx?storyid=35034>

U.S. NRC Data Show Nearly All U.S. Nukes Operating at Very High Capacity Levels
<http://www.platts.com/Nuclear/News/7512816.xml?p=Nuclear/News&sub=Nuclear>

House Passes Bill Aimed at Streamlining Refining Permitting; No Similar Law Pending in Senate
<http://www.platts.com/Oil/News/9955335.xml?p=Oil/News&sub=Oil>

U.S. EPA to Issue Final Rule Exempting Discharges of Uncontaminated Storm Water From Oil and Gas Field Activities from Permitting Process
<http://www.platts.com/Oil/News/7512846.xml?p=Oil/News&sub=Oil>

PDVSA to Upgrade Paraguana Refinery Complex in Venezuela to Handle Heavy Crude
Bloomberg, 10:16 June 8, 2006

Kazakhstan Oil Group Plans Pipeline and Tanker Terminals to Transport Oil to BTC Pipeline
Reuters, 07:53 June 8, 2006

Oil Exploration and Production Spending Up More Than 22 Percent This Year- Citigroup Report
Reuters, 17:22 June 8, 2006

Iraq Deputy PM Says Iraq to Double Oil Output to 4.3 Million b/d by 2010
Reuters, 03:39 June 8, 2006

G8 Says High Oil Prices May Damage Global Economy More in Future
Reuters, 07:05 June 8, 2006

IEA Head Sees No Real Change in Spare Oil Capacity Before 2010
Bloomberg, 10:59 June 8, 2006

IEA Says LNG to Meet Fifth of OECD Gas Supply by 2010
Reuters, 7:03 June 8, 2006

Florida Gas Transmission Issues Fourth Overage Alert in Four Days Amid Hot Weather and Low Linepack
Reuters, 12:16 June 8, 2006

Greenspan Says U.S. Must Reduce Consumption and Develop Alternative Energy Sources
<http://www.energyintel.com/>

UPDATE: Two Boys Arrested for Causing May 8 Derailment of CSX Coal Train
<http://www.ohio.com/mld/beaconjournal/14754159.htm>

BNSF: Creates a Network of Volunteers Aiming to Help Protect Railroad Infrastructure
http://www.marketwire.com/mw/release_html_b1?release_id=133937

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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